

subject to complex deduction limits. While donors can generally deduct charitable contributions up to 50 percent of their income, deductions for gifts of appreciated property are limited to 30 percent of income. For gifts of appreciated property to charities that are private foundations, deductions are limited to 20 percent of income. In my view, these limits under present law discourage charitable giving from the very people who are in the best position to make large gifts. Someone who has done well in the stock market should be encouraged to share the benefits. In order to fix this problem we should consider allowing contributions of appreciated property to be deductible within the same percentage limits as for other charitable gifts.

The proposal I have in mind would increase the percentage limitation applicable to charitable contributions of capital gain property to public charities by individuals from 30 percent to 50 percent of income. Thus, both cash and non-cash contributions to such entities would be subject to a 50 percent deductibility limit. In addition, I would propose increasing the percentage limitation for contributions of capital gain property to private foundations from 20 percent to 30 percent of income. While these proposals were not included in H.R. 7, I want to thank Ways and Means Chairman THOMAS for publicly acknowledging that these issues are worthy of consideration. As a follow-up to his comments in the Ways and Means Committee, Chairman THOMAS has written a letter to the Staff Director of the Joint Committee on Taxation asking for a revenue estimate and additional information with respect to this proposal.

In addition, I would like to thank the Chairman for making a similar request with regard to the other proposal I believe needs to be addressed—removal of charitable contributions from the cutback of itemized deductions commonly referred to as the “Pease” limitations. Even though the cutback of itemized deductions is being phased out under current law, its impact on charitable giving will remain in effect for several years. It is my strong belief that extracting charitable contributions from the Pease limitation will do much to encourage further generosity from those in a position to give the most.

Mr. Speaker, I am pleased to have this opportunity to express my support for H.R. 7 and I hope that I will return to the floor one day soon to address the other important issues I have raised in my remarks.

Mr. FORBES. Mr. Speaker, I rise in strong support of the Community Solutions Act, which will provide more opportunities for the strong wills and good hearts of Americans everywhere to rally to the aid of their neighbors.

All across America, there are people in need of a helping hand. Some of them are just a little down on their luck and need temporary shelter or a hot meal or the comfort of a confidant. Others are in more dire straits. The government can provide some assistance to these individuals and families, but it cannot do it all. And, frankly, it should not. In every pocket of America, there are groups and individuals—some of faith and some not—who are rallying to the aid of their neighbors. We in Washington should be in the business of encouraging this kind of community involvement and outreach.

In fact, the public places far more trust in faith-based institutions and community organi-

zations than in government to solve the social woes of our nation. Earlier this year, the Pew Partnership for Civic Change asked Americans to rank 15 organizations, including governments, businesses, and community groups, for their role in solving social problems in our communities. More than half named local churches, synagogues, and religious institutions; nonprofit groups, like the Salvation Army and Habitat for Humanity; and friends and neighbors—putting them at the top of the list behind only the local police. In contrast, the federal government was ranked 14th out of 15, with only about 1 in 4 respondents naming it as a social problem-solver.

The bipartisan Community Solutions Act builds on the faith-based initiative proposed earlier this year by the President to answer this call. But, to call it a faith-based initiative is really a misnomer. While faith-based groups clearly have a role to play in this plan, it is really all about neighbors helping neighbors.

Mr. Speaker, the bill will increase charitable giving by allowing non-itemizers to deduct their charitable contributions. It will also expand individual development accounts to encourage low-income families to save money for home ownership, college education, or other needs. And, the Community Solutions Act will expand charitable choice provisions already in law to give faith-based groups a greater opportunity to provide assistance to those in need through programs that Congress has created.

This bill embodies many good ideas, and it is long past the time when we should be returning these principles to our civil society. I thank the President for making this a priority for his Administration, and thank Congressmen WATTS and HALL introducing it in the House.

It is time for Congress to step aside and let the armies of compassion do what they do best—help neighbors in need. I urge my colleagues to support this bill and to oppose the substitute and the motion to recommit.

Ms. MILLENDER-MCDONALD. Mr. Speaker, currently, under Title VII, religious organizations can discriminate in hiring practices. If the Charitable Choice Act (H.R. 7) is enacted, this discriminatory practice will extend to programs on the Federal level. It is alarming that the Charitable Choice Act (H.R. 7) would pre-empt state and local anti-discrimination laws. This bill would open women to all kinds of employment discrimination that is currently prohibited by Federal law.

Under H.R. 7, religious employers would be allowed to include questions in hiring interviews on marital status and childcare provisions. Women would also be subject to discrimination in the delivery of services. For example, this bill offers no protection for the unwed mother being denied benefits because of the tenets of the religious organization responsible for delivering services. Women's basic employment and civil rights should be a fundamental guarantee and not conditioned on whether or not the entity hiring or providing services has been offered special protections under the law.

Currently, under Title VII, there are cases where women lost their job because they became pregnant but wasn't married and due to their views on abortion. If the Charitable Choice Act is passed, then this can include many more forms of discrimination.

This is no ordinary piece of legislation. It raises serious questions about church-state

relations in this country. These are grave issues. Congress needs to proceed with caution.

Mr. HALL of Texas. Mr. Speaker, as a longtime supporter of local solutions for local problems, I want to thank my colleagues, Representative J.C. WATTS and Representative TONY HALL, for their work to bring H.R. 7, the Community Solutions Act, to the Floor. I am pleased to be a cosponsor of this initiative, which recognizes the important role that faith-based groups are performing in every community in America. I commend President Bush for making this a priority of his Administration.

Government has long provided public funding for social service programs through its “charitable choice” provisions. This Act builds on this success by expanding the services that may be provided by faith-based groups. Most of us would agree that local citizens have a far better understanding of local problems and have better solutions for those problems than some “one-size-fits-all” Federal program. We've spent billions of dollars fighting the war against drugs, for example—and are still losing it because we are fighting it form the top.

The bill's sponsors have worked to address the constitutional concerns that have been raised, and they have provided some important safeguards. As this bill moves forward, we need to continue our efforts to fully examine the implications of this Act as it affects State laws.

The Community Solutions Act holds great promise in our efforts to combat drugs, juvenile delinquency, teenage pregnancy, hunger, school violence, illiteracy and other ills. It recognizes that faith-based organizations often are succeeding where government-run programs are failing. It makes sense to include these worthy programs in our efforts to serve those in need in our communities.

I urge my colleagues to recognize the contributions and potential of faith-based organizations to improve the quality of life for our citizens by voting for H.R. 7 and giving this initiative a chance to work.

Mr. BROWN of South Carolina. Mr. Speaker, I rise today in strong support of President Bush's faith-based initiative, as reflected in H.R. 7. Both the Judiciary Committee and the Ways and Means Committee has worked hard to craft legislation we should all be able to support.

I would like to take a minute, though, to concentrate on the charitable choice provision of this bill, because the tax provisions should not keep anyone from voting for H.R. 7. According to Chairman NUSSLE of the House Budget Committee, the \$13.3 billion in estimated revenue reduction does not threaten the Medicare trust fund. No, if this bill fails, the failure will be due to the charitable choice provision.

Many have expressed concerns about “separation of church and state” and about “government funded discrimination” in conjunction with President Bush's faith-based initiative. However, when the Welfare Reform Act was passed in 1996, the charitable choice provision allowed faith-based groups to apply for federal money the same way that secular groups do. The charitable choice provision is also included in the 1998 Community Services Block Grant Act and in the 2000 Public Health Service Act. The charitable choice provision has a history of success.

Rather than promoting a radical restructuring of current law, H.R. 7 will simply ensure